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MEMORANDUM FOR: Comptroller

SUBJECT : Reimbursement of Insurance Premiums

1. The Federal Employees Group Life Insurance Act of 1954, approved on 17 August 1954, establishes a general program of term life insurance for Government employees and provides for the automatic coverage and deductions of premium costs from the salaries of all employees who have not indicated in writing prior to the effective date of coverage, 29 August 1954, their desire to waive coverage. Review of the application of these provisions to Agency employees revealed that notification of coverage and right of waiver with respect to staff agents could not be *openly* nor ^{OBTAINED} *immediately* and would require a delay in the interests of security of operations beyond the effective date of coverage.

2. It has been determined that delay of notification having been required in the interests of security of operations, the cost of premiums incurred by staff agents who desire to waive coverage shall be borne as an Agency expense. Delay of notification having worked no hardship on those staff agents who do not desire to waive coverage, no special consideration is required with respect to them. Coverage and deduction of premiums from salaries will be incurred automatically as of the effective date.

3. This memorandum may be cited as authority for your Office to approve of the appropriate disbursement of funds to off-set the cost of premiums incurred by staff agents during the period 29 August 1954 to the effective

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date of receipt of the individual waivers and confirms my oral decision
of 1 October 1954.

L. K. WHITE
Deputy Director (Administration)

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